



Committed to the future of rural communities.

RURAL BUSINESS-COOPERATIVE PROGRAMS

RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY IMPROVEMENTS PROGRAM

Rural Development makes direct loans, loan guarantees, and grants to farmers and ranchers (agricultural producers) or rural small businesses to purchase renewable energy systems and make energy efficiency improvements. The Farm Security and Rural Investment Act of 2002 (2002 Act) established the Renewable Energy Systems and Energy Efficiency Improvements Program under Title IX, Section 9006. This program will help farmers, ranchers, and rural small businesses to reduce energy costs and consumption.

Applicant Eligibility

Pursuant to the Farm Bill, eligible applicants include agricultural producers and rural small businesses. To be eligible for grants, applicants must demonstrate financial need. Key program definitions are:

- Rural - Any area other than a city or town that has a population of greater than 50,000 inhabitants and the urbanized area contiguous and adjacent to such a city or town according to the latest decennial census of the United States.
- Agricultural producer - An individual or entity directly engaged in the production of agricultural products, including crops (including farming); livestock (including ranching); forestry products; hydroponics; nursery stock; or aquaculture, whereby 50 percent or greater of their gross income is derived from the operations.
- Small business - A private entity including a sole proprietorship, partnership, corporation, and a cooperative (including a cooperative qualified under section 501(c)(12) of the Internal Revenue Code).
- Excludes any private entity formed solely for a charitable purpose;
- Must be considered a small business concern in accordance with the Small Business Administration's (SBA)

Small Business Size Standards by North American Industry Classification System (NAICS) Industry found in 13 CFR part 121;

- Demonstrated financial need - the applicant must demonstrate that it is unable to finance the project from its own resources or other funding sources without grant assistance.

Other provisions of applicant eligibility for program are:

- Individuals must be citizens of the United States (U.S.) or reside in the U.S. after being legally admitted for permanent residence.
- Entities must be at least 51 percent owned, directly or indirectly, by individuals who are either citizens of the U.S. or reside in the U.S. after being legally admitted for permanent residence.
- If an applicant is applying as a rural small business, the business headquarters must be in a rural area.
- If the applicant or an owner has an outstanding judgment obtained by the United States in a Federal Court (other than in the United States Tax Court), is delinquent in the payment of Federal income taxes, or is delinquent on a Federal debt, the applicant is not eligible to receive a grant until the judgment is paid in full or otherwise satisfied or the delinquency is resolved.

Grant Purposes

Projects must be for the purchase of a renewable energy system or to make energy efficiency improvements.

- Renewable energy systems provide energy derived from wind, solar, biomass, biogas, or geothermal source or hydrogen derived from biomass or water using wind, solar, or geothermal energy sources.
- Energy efficiency improvements typically involve installing or upgrading equipment that results in a significant reduction in energy use from current operations. Energy efficiency improvements to the business include HVAC systems, insulation, refrigeration, lighting, irrigation systems, pumping systems, air systems, motor systems, etc.

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Further requirements are:

- The project must be located in a rural area.
- The project must be for a pre-commercial or commercially available and replicable technology.
- The project must be technically feasible.

- The applicant must be the owner of the system and control the operation and maintenance of the proposed project. A qualified third-party operator may be used to manage the operation and/or maintenance of the proposed project.
- All projects must be based on satisfactory sources of revenues in an amount sufficient to provide for the operation and maintenance of the system or project.
- Grant requests exceeding \$100,000 for a renewable energy system project must include a project-specific feasibility study prepared by a qualified independent consultant.

Grant Amounts

- Grants up to 25 percent of project costs
- Grant minimum-\$2,500
- Grant maximum-\$250,000 (Energy Improvement)/\$500,000 (Renewable Energy)

How Do I Apply?

Applications will be accepted for funding under Section 9006 of the Farm Bill when the Notice of Funds Availability (NOFA) is announced in the Federal Register. NOFA will provide complete details on the application process. Contact your local Rural Development Business Specialist with your questions and to discuss the USDA environmental requirements that must be met for your proposed project. Applications should be directed to the Rural Energy Coordinators.

For More Information

Contact the Rural Energy Coordinators, Rural Development Business Specialists or the USDA Rural Development State Office at:

USDA Rural Development Rural Energy Coordinators-
Cliff Kumm or Deb Yocum
201 N. 25th Street
Beatrice, NE 68310
Phone: (402) 223-3125

USDA Rural Development Business Specialist
Jan Knobel
201 N. 25th Street
Beatrice, NE 68310
Phone: (402) 223-3125

USDA Rural Development Business Specialist
Dan Laska
3276 53rd Avenue
Columbus, NE 68601
Phone: (402) 564-0506

USDA Rural Development Business Specialist
Mary Gambill
731 E. 4th Ainsworth, NE 69210
Phone: (402) 387-2242

USDA Rural Development Business Specialist
Tim Brooks
818 Ferdinand Plaza, Suite B
Scottsbluff, NE 69361-4401
Phone: (308) 632-2195

USDA Rural Development Business Specialist
Beth Fries
1202 S. Cottonwood
North Platte, NE 69101
Phone: (308) 534-2360

USDA Rural Development Business Specialist
Karissa Hagedorn
4009 North 6th Avenue
PO Box 730
Kearney, NE 68848-0730
Phone: (308) 237-3118

USDA Rural Development
Attn: Business and Cooperative Program Division
Federal Building, Room 152
100 Centennial Mall North Lincoln, NE 68508-3888
Phone: (402) 437-5558 (voice)
(402) 437-5093 (TDD)

National Office Web site:
<http://www.rurdev.usda.gov/rbs/farmbill/index.html>
Nebraska Rural Development Web site: <http://www.rurdev.usda.gov/ne>
Nebraska State Office Telephone Number: (402) 437-5551
Nebraska State Office Facsimile Number: (402) 437-5408
Nebraska State Office TDD Number: (402) 437-5093

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